



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 22, 2007

H.R. 1468
Disadvantaged Business Disaster Eligibility Act

As ordered reported by the House Committee on Small Business on March 15, 2007

H.R. 1468 would extend the eligibility of certain small and disadvantaged businesses to participate in the Small Business Administration's 8(a) program and to receive related technical assistance programs for an additional 18 months. Assuming appropriation of the necessary amounts, CBO estimates that extending the period of eligibility for such programs would cost less than \$1 million. Enacting H.R. 1468 would not affect direct spending or revenues.

Under the 8(a) program, the Small Business Administration (SBA) helps small and disadvantaged businesses bid for federal contracts. Participants in the program are also eligible to receive business development and technical support provided by organizations under contract with SBA. Eligible businesses generally participate in the 8(a) program for nine years, receiving technical support as necessary during that time.

Under the bill, businesses participating in the 8(a) program located in areas of Louisiana that were designated as disaster areas after Hurricane Katrina would be eligible for the extension. The bill also would require SBA to continue to review the performance of participating businesses during the extended eligibility period. Based on information from SBA, approximately 145 small businesses would be affected by the extension.

H.R. 1468 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local or tribal governments.

The CBO staff contact for this estimate is Susan Willie. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.